

SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET

SCHEDULE - 1 : SHARE CAPITAL :

(Amount in Rupees)

Particulars	March 31, 2009	March 31, 2008
AUTHORISED SHARE CAPITAL		
500000 Equity Shares of Rs.1000/- each.	500,000,000	500,000,000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
364200 Equity Shares of Rs.1000/- each Fully Paid Up for Cash	364,200,000	364,200,000
	364,200,000	364,200,000

SCHEDULE - 2 : RESERVES & SURPLUS :

(Amount in Rupees)

Particulars	March 31, 2009	March 31, 2008
Capital Reserve	35,438,127	35,438,127
	35,438,127	35,438,127

SCHEDULE - 3 : SECURED LOANS :

(Amount in Rupees)

Particulars	March 31, 2009	March 31, 2008
Secured Loans	-	-
(Secured from Bank by Hypothecation of Inventories of Aircraft Spares and Rotables, Inward RR's/GS's Bills of Lading, Trust, Receipt and Book Debts.	-	-

SCHEDULE - 4 : UNSECURED LOANS AND ADVANCES :

(Amount in Rupees)

Particulars	March 31, 2009		March 31, 2008	
A) From Banks				
Bank of India	-		-	
B) From Others				
Air India	170,637,210		170,637,210	
Hindustan Aeronautics Ltd.	-		-	
Indian Airlines	130,083,296		130,083,296	
I.A.A.I.	77,016,052		77,016,052	
O.N.G.C.	-		-	
Ministry of Civil Aviation	159,668,187	537,404,745	159,668,187	537,404,745
		537,404,745		537,404,745

SCHEDULE - 5 : FIXED ASSETS & DEPRECIATION :

(Amount in Rupees)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2008	Additions during the year	Adjustment made during the year	As at 31.03.2009	Upto 31.03.2008	Provided for the year	Added Back	Upto 31.03.2009	As at 31.03.2009	As at 31.03.2008
Aircraft	53,794,356	-	-	53,794,356	48,414,919	-	-	48,414,919	5,379,437	5,379,437
Aircraft Engine	8,731,568	-	-	8,731,568	8,131,568	-	-	8,131,568	600,000	600,000
SUB TOTAL	62,525,924	-	-	62,525,924	56,546,487	-	-	56,546,487	5,979,437	5,979,437
Ground Support	15,884,674	-	-	15,884,674	14,980,161	305,820	-	15,285,981	598,693	904,513
SUB TOTAL	15,884,674	-	-	15,884,674	14,980,161	305,820	-	15,285,981	598,693	904,513
Furniture & Fixtures	15,080,741	-	-	15,080,741	11,116,267	374,936	-	11,491,203	3,589,538	3,964,474
SUB TOTAL	15,080,741	-	-	15,080,741	11,116,267	374,936	-	11,491,203	3,589,538	3,964,474
Motor Vehicles	980,498	-	-	980,498	940,977	-	-	940,977	39,521	39,521
Total Assets	94,471,837	-	-	94,471,837	83,583,892	680,756	-	84,264,648	10,207,189	10,887,945
Previous Year	94,471,837	-	-	94,471,837	82,874,112	709,780	-	83,583,892	10,887,945	

Notes : Aircraft includes assets of erstwhile Agro Division at nominal value of Re.1/-.

SCHEDULE - 6 : CURRENT ASSETS, LOANS & ADVANCES :

(Amount in Rupees)

Particulars	March 31, 2009	March 31, 2008
A. Current Assets		
1. Inventories (Valued at Cost)	67,135,452	67,135,452
Less : Provision for Obsolescence of Inventory	67,135,452	67,135,452
	0	0
2. Sundry Debtors		
Debts outstanding for a period exceeding six months.	0	0
Secured Considered Good	664,514	664,514
Unsecured Considered Good	14,865,905	14,865,905
Unsecured Considered Doubtful	20,895,160	20,895,160
	36,425,579	36,425,579
Less : Provision for Doubtful Debts	20,895,160	20,895,160
	15,530,419	15,530,419
3. Cash and Bank Balances		
Balance with Scheduled Bank in Current A/c.	0	17,365
	0	17,365
B. Loans & Advances		
- Advance Recoverable in Cash / Kind for the Value to be received		
Unsecured Considered Good	247,978	247,978
Unsecured Considered Doubtful	52,896	52,896
- Income Tax Deducted at Source	29,388	29,388
- Security Deposit Considered Good	902,584	902,584
- Security Deposit Considered Doubtful	27,100	27,100
	1,259,946	1,259,946
Less : Provision	79,996	79,996
TOTAL	1,179,950	1,179,950

SCHEDULE - 7 : CURRENT LIABILITIES & PROVISIONS :

(Amount in Rupees)

Particulars	March 31, 2009	March 31, 2008
A. Current Liabilities		
1. Sundry Creditors	1,538,453,529	1,538,307,725
2. Other Liabilities	35,434,603	35,434,603
3. Security Deposit	1,500,568	1,500,568
4. Customers at Credit	1,366,935	1,366,935
TOTAL	1,576,755,635	1,576,609,831
B. Provision for Expenses	92,093,903	92,093,903
TOTAL	92,093,903	92,093,903

SCHEDULES ATTACHED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE - 8 : EMPLOYEES REMUNERATION & BENEFITS :

(Amount in Rupees)

Particulars	2008-09	2007-08
1. Salaries & Wages	116,725	17,502
TOTAL	116,725	17,502

SCHEDULE - 9 : ADMINISTRATION EXPENSES :

(Amount in Rupees)

Particulars	2008-09	2007-08
1. Office & Misc. Expenses	1,500	1,350
2. Payment to Auditors	44,944	44,944
3. Interest	0	61,450
4. Rent, Rates & Taxes	0	88,550
TOTAL	46,444	196,294

SCHEDULE - 10 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS :**A. SIGNIFICANT ACCOUNTING POLICIES****1. Basis of Accounting :**

The accounts have been prepared on historical cost basis.

2. Depreciation :

(i) Depreciation on fixed assets has been charged on straight line method. The depreciation on the assets acquired before 2 April 1987 has been charged keeping in view the expected useful life of the various assets as approved by the Board of Directors of the company in its meeting held on 18 April 1981. In case of aircraft and aircraft engines, the residual value after the expected working life is taken at 10% of the costs whereas, in case of other fixed assets, the residual value is taken at 5% of the cost. Consequent upon amendment of the Companies Act, 1956, by the Companies Amendment Act, 1988, depreciation on assets acquired after 2 April 1987 has been charged at the rates prescribed in Schedule XIV of the Companies Act, 1956 as amended from time to time.

(ii) Depreciation rates followed by the Company for assets acquired before 2 April 1987 are shown hereunder :

Depreciation of Assets	Rates for Assets Acquired before 2 April 1987
Aircraft	7.5%
Aircraft Engine	7.5%
Motor Vehicle	19%
Ground Support Equipment	19%
Furniture & Fixture	9.5%

(iii) No depreciation is provided on assets of Agro Aviation taken in the books at a nominal value of Re. 1/-.

(iv) Depreciation on the assets in the nature of plant and machinery costing RS. 5,000/- & below has been provided at 100% in the year of purchase itself.

3. Valuation of Stores & Spares :

Stores and Spares are valued at cost on first-in-first out basis. Provision for obsolescence of aircraft stores and spares is made upto 100% of the value of Stores and Spares.

4. Prior Period Expense/Income :

Transactions relating to earlier period in respect of individual items of expenditure/income exceeding Rs. 10,000/- are accounted for under 'Prior Period Adjustment Account' in the Profit & Loss Account.

5. General Stores, Consumables & Oil :

General Stores and Consumables are charged to the Profit & Loss account at the time of purchase.

6. Insurance Claims :

Claims recoverable including Lay-up refunds from insurance companies exceeding Rs. 1,00,000/- are accounted for on accrual basis.

7. Warranty Claims and Interest Recoverable :

Warranty claims and interest recoverable from ticketing agents and others on delayed payments are accounted for on actual receipt basis.

8. Provision for Doubtful Debts :

Provision for doubtful debts is made where the Company has filed a suit in court or on debts which have become time barred, whichever is earlier.

9. Gratuity :

Gratuity liability has not been provided for by the company since it is accounted for on cash basis. The amount of gratuity liability has not been ascertained. However, subsequent to merger notification all the employees have been absorbed by Indian Airlines Ltd./Air India Ltd. and the gratuity liability of the employees for their service with Vayudoot Ltd. is being borne by the respective companies.

10. Subsidy/Grant :

Subsidy/Grant-in-aid is accounted for on receipt basis.

B. NOTES :

1. Merger of Vayudoot Ltd. with Indian Airlines Ltd. (now NACIL) :

The Government of India, Ministry of Civil Aviation vide its letter No. AV.18013/44/92-ACVL dated 25 May 1993 conveyed its decision to merge the company with Indian Airlines Ltd.(IAL). The Government also decided that :

- a) The Equity share of the company held by Air India will be transferred to IAL for a token consideration.
- b) There will be a moratorium on the dues and servicing of dues owed to Government, Public Sector Undertakings and banks for a period of five years and there after the dues will be discharged by IAL in ten annual installments. In case of delay in payment of installment, interest at the bank rate prevailing at that time would be payable.
- c) Pending completion of legal formalities of merger, the company will be retained as a clearly identifiable separate division of IAL.

Consequent to the above decision of the Government of India :

- i) The entire shareholding of Air India Ltd. amounting to Rs. 18.21 crores were transferred to IAL for Re 1/- thus, making the company a wholly owned subsidiary of IAL under its direct administrative control.
- ii) The employees of the company were absorbed in Indian Airlines Ltd. and Air India.
- iii) The flight operations of the company were discontinued effective 1 April 1997 and it is not undertaking any commercial activity. The company thus is remaining as a "shell" company awaiting the legal merger with IAL. As such the company is not a going concern. The assets and liabilities of the company are reflected as per the book value, after making necessary provision for depreciation, doubtful debts etc. as per the Company law provisions and accounting policies. In view of the same, revaluation of assets and liabilities have not been carried out and the accounts are being prepared on going concern basis.

2. Current Status of Moratorium and Merger :

- i) Initial moratorium of five years on dues / servicing was further extended twice as under :
 - a) Vide notification No. AV.18030/3/97 dated 3 June 1999 upto 24 May 2000.
 - b) Vide notification No. AV.18030/3/97-ACIA (VOL.IV) dated 17 January 2005 upto 31 March 2005.
 - c) Vide letter No. AV.18030/3/97-IA dated 28 July 2006 upto 30 September 2006.
- ii) Government of India, Ministry of Civil Aviation vide Notification No. AV.18030/3/97-ACIA (VOL.IV) dated 17 January 2005 conveyed Government's decision to approve in principle one time non-plan budgetary assistance of Rs. 138,30,75,560/- to Indian Airlines Ltd. to clear the dues of the following creditors in full and final settlement of their claims :

a)	Hindustan Aeronautics Limited	Rs. 114,70,00,000
b)	Oil & Natural Gas Commission	Rs. 7,88,28,767
c)	Oil Companies	Rs. 8,99,92,000
d)	Banks	Rs. 4,37,54,793
e)	Others	Rs. 2,35,00,000
	TOTAL	Rs. 138,30,75,560

The Govt. has released the funds of Rs. 138,30,75,560/- in two phases to Indian Airlines Ltd., out of which payment of Rs. 135,48,55,835/- was made by them. The related balances on this account have been transferred to IAL Account.

Further, vide this notification and also office memorandum No. AV.18030/3/97-ACIA (VOL.IV) dated 21 February 2005, Government of India, Ministry of Civil Aviation conveyed Government's decision to Indian Airlines Ltd. to write off the dues amounting to Rs. 127,85,88,058/- in respect of the following creditors :

a)	Indian Airlines Ltd.	Rs. 69,15,63,232
b)	Air India	Rs. 17,06,37,210
c)	IAAI	Rs. 7,70,16,052
d)	National Airport Authority	Rs. 14,86,60,130
e)	Ministry of Civil Aviation	Rs. 15,96,68,187
f)	IATT	Rs. 3,10,43,247
TOTAL		Rs. 127,85,88,058

The legal formalities of merger of Vayudoot Ltd. with Indian Airlines Ltd. (now National Aviation Company of India Ltd.) is expected to be completed in the year 2009-10. On completion of legal formalities, Vayudoot Ltd. will be merged with National Aviation Company of India Ltd. and necessary action in regard to above notifications of Government of India will be taken by National Aviation Company of India Ltd.

3. Agro Aviation Division :

The Agro Aviation Division of the Ministry of Civil Aviation was transferred to the company vide Government of India Notification No-AV/18030/112/87 dated 18 January 1988. The assets transferred on "as is where is basis" were taken in the books of the Company at a token consideration of Re.1/-. Substantial parts of these assets have been disposed off over the years.

4. Capital Reserve (Schedule 2) :

Capital Reserve of Rs. 3.54 crores represents the proceeds on account of insurance claims over and above the book value of the aircraft that crashed during 1988-89 and 1989-90.

5. Fixed Assets (Schedule 5) :

- a) As on 31 March 2009 two aircraft were operational, which were being operated by NACIL. These aircraft are registered with DGCA in the name of NACIL and all the expenditure for their operations and maintenance of the fleet is being incurred by NACIL. NACIL Board, in its Fourteenth Meeting held on 3 August 2008, has accorded approval to phase out these aircraft and to make take all necessary steps for disposal of the aircraft.
- b) Since the legal merger of the company with NACIL is yet to take place, the assets and liabilities of the company continued to be reflected in the books of Vayudoot Ltd. and the depreciation where applicable is continued to be provided by the company. However, all the assets are being operated and maintained by NACIL.

6. Current Assets, Loans and Advances (Schedule 6) :

- a) Amount due from ex-officers : Rs. 1,76,550
(Rs.1,76,550)
- b) In view of no flight operations since April, 1997, 100% obsolescence have been provided on aircraft Stores & Spares including Rotables.

7. Current Liabilities and Provisions (Schedule 7) :

The liabilities in respect of the invoices of foreign suppliers outstanding as on 31.3.2009 was Rs.85.39 lacs. In view of the basic accounting principles of booking all anticipated losses and not accounted for anticipated profit unless realised, as stated in AS-11 notional loss of Rs.1,91,253/- has not been accounted for and accordingly the liability has not been updated at the exchange rate prevailing as on 31 March 2009.

8. The outstanding balance in unsecured loans accounts receivable and payable are subject to reconciliation and confirmation.

9. In the absence of any taxable income for the year, and in view of losses, no provision has been made for income-tax. Assessment has been completed upto the Assessment year 2002-03.

10. In the opinion of the Board, Current Assets and Loans and Advances are at the value stated if realised, in the ordinary course of business. The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary. There are no Contingent Liabilities other than those stated below.

11. Earnings Per Share :

Basic and diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year, with the weighted number of equity share outstanding during the year. Earnings per share has been computed as under :

a) Profit/Loss after taxation	(8,43,925)
b) Number of equity share outstanding at the beginning of the year	3,64,200
c) Earning per share	(2.32)

12. Figures have been rounded off to the nearest of rupee.

13. Previous Year's figures have been recast to the extent grouping is altered during the current year. Previous year figures in the notes are indicated in brackets.

14. As per orders of the Hon'ble Delhi High Court (writ petition No. 7875 of 2001) company has made payment to Sh. Mahinder Singh, ex-employee on account of arrears of minimum wages amounting to Rs. 1,05,247/- for the period 23.8.03 to 31.3.08 and salary & wages amounting to Rs. 11,478/- for the period 1.4.08 to 30.6.08 i.e. Rs. 1,16,725/- only.

15. **Contingent Liabilities :**

Claims against the company not acknowledged as debts.

	2008-09 (Rs.)	2007-08 (Rs.)
Legal claims not acknowledged as debts	59,97,878	59,97,878

16. **Additional Information :**

	2008-09	2007-08
Auditor's Remuneration		
Audit Fees to statutory auditors	44,944	44,944
TOTAL	44,944	44,944

All other additional information required under part II and III of Schedule VI may be read as nil/not applicable.

Signatures appended from Schedule 1 to 10 forming part of Balance Sheet & Profit & Loss Account.

As per our report of even date attached.

For Lalit Gupta & Associates
Chartered Accountants

Sd/-
Lalit K. Gupta
Partner
M. No. 082727

For and on behalf of the Board

Sd/-
Arvind Jadhav
Chairman

Sd/-
S. Chandrasekhar
Director

Sd/-
R. Thyagarajan
General Manager (Finance)

Place : New Delhi
Date : 30 September 2009